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IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1938.

No. 51.

ARMSTRONG PAINT AND VARNISH WORKS,
Petitioner,

vs.

NU-ENAMEL CORPORATION, AN ILLINOIS CORPORATION,
and

NU-ENAMEL CORPORATION, A DELAWARE CORPORATION,
INTERVENER,

Respondents.

WRIT OF CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE
SEVENTH CIRCUIT.

BRIEF FOR RESPONDENTS.

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ARMSTRONG PAINT AND VARNISH WORKS,
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Respondents.

WRIT OF CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE
SEVENTH CIRCUIT.

BRIEF FOR RESPONDENTS.

THE PROCEEDINGS.

This action was brought in January, 1935 by Respondent, the Illinois Corporation, as Plaintiff, and Petitioner as Defendant, in the District Court for the Northern District of Illinois. The complaint charged Petitioner with infringement of a trade-mark consisting of the word Nu-Enamel in a curved line, registered by Respondents' predecessor in 1933 (R. 9) under the Act of Congress of March 19, 1920 (U. S. C. Tit. 15, Par. 121 and following) for mixed paints, varnishes, paint enamels, prepared shellacs, stains, lac-

quers, liquid cream furniture polishes and colors ground in oil. The infringement complained of was the use by Petitioner, beginning in August, 1934, of the name Nu-Beauty Enamel on competing goods. Both marks are used in interstate commerce (R. 4, 15).

When the action was brought both parties were Illinois corporations. Pending the suit the original plaintiff sold its property, assets, good will and trade-marks including the one involved, to a Delaware corporation of the same name. The Delaware corporation intervened and the action proceeded with that corporation as plaintiff.

The District Court dismissed the complaint on motion. The Circuit Court of Appeals reversed. *Nu-Enamel Corporation v. Armstrong Paint and Varnish Works*, 81 Fed. (2) 1.

On remand, after a trial the District Court dismissed the complaint for want of equity (R. 115). The Circuit Court of Appeals reversed a second time. *Nu-Enamel Corporation v. Armstrong Paint and Varnish Works*, 95 Fed. (2) 448 (R. 134). This court granted certiorari on October 10, 1938.

THE FACTS.

The word Nu-Enamel was first used as a trade-mark by C. L. Lloyd, Respondents' predecessor in business, in the latter part of 1922 or the first part of 1923 (R. 28). The products upon which it was originally used were paints, varnishes, enamels, top dressings and brushes (R. 28). Other items were added from time to time. When this suit was begun, Nu-Enamel was being used on the following additional goods: wood powder, patching plaster, wax, enamelled paint, flat white varnish, varnish stain, utility black, thinner, floor finish, bronze liquid, linoleum finish, polish, casein paint, metallic finish, remover, glue, mineral and oil colors, liquid solder and tack rags (R. 28, 135).

Respondents' goods marked with the name Nu-Enamel are sold in every state of the union and in twenty-one foreign countries. There are approximately 3,000 dealers throughout the United States selling Nu-Enamel goods, and there are 300 stores operating under the name Nu-Enamel, handling these products exclusively. Twenty-five or thirty of the Nu-Enamel stores are located in Chicago and vicinity where Petitioner's business is conducted. The name Nu-Enamel is conspicuously displayed about them (R. 29).

The sales of Nu-Enamel goods in the past four years have been over \$4,250,000.00 (R. 29). Several hundred thousand dollars has been spent each year in advertising them (R. 30).

The result is that Nu-Enamel has come to mean Respondents' goods and indicates that products so marked come from Respondents and no one else. Petitioner expressly admits this significance. The answer says:

"Defendant admits that the name 'Nu-Enamel' has come to mean and is understood to mean, throughout the United States, including the State of Illinois and the City of Chicago, the plaintiff and plaintiff's products only and the word 'Nu-Enamel' is a mark by which the goods of the plaintiff are distinguished from other goods of the same class." (Paragraph 2 of defendant's Amended Answer, R. 13.)

The foregoing facts were found by the court below (R. 134-136).

Petitioner's product was labelled Nu-Beauty Enamel when the action was begun. A month or so afterward the name was changed to New Beauty Enamel (R. 74). The use of the word "beauty" was commented on by the court below (R. 136):

"Furthermore we think the evidence clearly shows infringement. Defendant's mark consists of the word 'Nu-Enamel' with the word 'Beauty' inserted between the words 'Nu' and 'Enamel' or between the words 'New' and 'Enamel.' The addition of this word be-

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comes significant in view of the slogan placed by plaintiff on its cans over the trade-mark, 'The Coat of En-during Beauty,' where the word 'Beauty' appears immediately above the word 'Nu-Enamel'."

Petitioner's product sold under the name Nu-Beauty Enamel was not a new article. Petitioner had previously used other names for the same goods when it began to use "Nu-Beauty Enamel" in August, 1934. Nu-Beauty Enamel was merely a new mark applied to an old product (R. 75). Petitioner knew of Respondents' use and advertisement of Nu-Enamel, when it adopted the name Nu-Beauty Enamel for its competing goods. One of Petitioner's officers testified that "It (Nu-Enamel) is a well known product" (R. 73) and "I was familiar or was aware of the trade-mark Nu-Enamel" (R. 76). Another said that Petitioner was "going out to get their share of that business created by the demand for Nu-Enamel" (R. 66). Petitioner copied Respondents' advertising slogans, sales literature and displays (R. 65, 67). Petitioner's use of the name Nu-Beauty Enamel caused purchasers to buy Petitioner's goods believing them to be Respondents' (R. 44, 45, 65). A large number of instances of passing off Petitioner's goods when Respondents' were called for were proved (R. 47-62).

The court below found (R. 136) :

"That there was confusion between the products of plaintiff and defendant clearly appears. Witnesses testified that they called on dealers handling defendant's product and asked specifically for Nu-Enamel. In forty-six instances New Beauty Enamel was delivered to them, without explanation. This included products marked New Beauty Enamel and Nu Beauty Enamel, the former being the mark adopted by defendant some two months after this suit was brought. Other instances of confusion appear in the record. There was evidence of similarity in advertising, adoption of the slogans of the plaintiff and other acts, all bearing also heavily upon the issue of unfair competition."

The Court concluded (R. 137):

"The facts presented to us in the instant case persuade us that the defendant attempted to convert to its own use the property right which plaintiff had built up represented by the trade-mark."

THE STATUTE.

This case involves the Act of Congress March 19, 1920 (U. S. C. Tit. 15 Par. 121 and following). This statute incorporates by reference certain sections of the Trade Mark Act of February 20, 1905 (U. S. C. Tit. 15 Par. 81 and following). For convenience these sections are included in the statute which is printed in the appendix to this brief. To distinguish them they are indented and running side titles are inserted in the margin.

SUMMARY OF ARGUMENT.

Respondents' mark in suit is registered in the "b" register provided by the Act of 1920. No attempt to cancel it has been made. It is admitted that the goods of the parties upon which the marks in question are used are merchandise of the same descriptive properties. It is admitted also that the goods of both parties bearing the marks in controversy are sold in interstate commerce (R. 4, 15). Petitioner adopted Nu-Beauty Enamel with intent to appropriate Respondents' business by misleading customers into accepting Petitioner's goods as Respondents' and its use has had this result. We submit that Nu-Beauty Enamel is a copy or colorable imitation of Respondents' registered trade-mark Nu-Enamel, within the meaning of the statute. (*Dauids v. Dauids*, 233 U. S. 461.)

The suit was brought in the District Court as authorized by Section 17 (U. S. C. Tit. 15 § 97):

"The district . . . courts of the United States . . . shall have original jurisdiction, . . . of all suits at law or in equity respecting trade-marks registered in accordance with the provisions of this act, arising under the present act without regard to the amount in controversy." (Feb. 20, 1905, c. 592, § 17, 33 Stat. 728; Mar. 3, 1911, c. 231, § 291, 36 Stat. 1167; June 7, 1934, c. 426, 48 Stat. 926.)

Trade-marks are not monopolistic grants like patents and copyrights. (*Trade-Mark Cases*, 100 U. S. 82; *Prestonettes v. Coty*, 264 U. S. 359, 368; *United Drug Co. v. Reckman*, 248 U. S. 90, 97-98.) To protect trade-marks is to secure good will against appropriation and is sound public policy. (*McLean v. Fleming*, 96 U. S. 245, 246.)

The protection which is accorded to trade-marks is protection against misrepresentation as to the origin of the goods. (*Howe Scale Co. v. Wyckoff*, 198 U. S. 118, 137.)

The wrong is the same whether designated trade-mark infringement or unfair competition. (*United Drug Co. v. Rectanus*, 248 U. S. 90, 97; *Hanover Star Milling Co. v. Metcalf*, 240 U. S. 403, 412; *G. & C. Merriam Co. v. Saalfeld*, (C. C. A. 6) 198 Fed. 369, 372.)

A trade-mark is "a distinguishable token devised or picked out" (*Beechnut v. Lorillard*, 273 U. S. 629, 632). A trade-mark is a mark which either inherently or by association distinguishes the goods of one trader from those of another. (*Canal Co. v. Clark*, 13 Wall. 311, 322; *Lawrence Mfg. Co. v. Tennessee Mfg. Co.*, 138 U. S. 537, 564; *Amoskeag Mfg. Co. v. Trainer*, 101 U. S. 51, 54.) It is expressly admitted in this case that the word Nu-Enamel is a mark by which the goods of Respondents are distinguished from other goods of the same class (R. 13). It is therefore a trade-mark.

None of our National trade-mark statutes purport to confer substantive rights. They deal with jurisdictional and procedural matters only. (*American Trading Co. v. Heacock*, 285 U. S. 247, 258; *Dauids v. Davids*, 233 U. S. 461.)

The Trade-Mark Act of March 19, 1920 (U. S. C. Tit. 15 § 121) authorizes the registration of descriptive marks on the "b" register which is analogous to the "ten year proviso" of the Act of 1905 construed by this court in *Dauids v. Davids*, 233 U. S. 461-467. This analogy is demonstrated by the legislative history of the Act of 1920. (*Ex parte Chr. Hansen's Laboratory*, 18 T. M. Rep. 594, 151 M. D. 794.)

The Act in terms confers on Federal courts jurisdiction of cases involving marks registered under it. (Sec. 6, Trade-Mark Act of March 19, 1920 (U. S. C. Tit. 15, Sec. 126).)

Respondents' trade-mark Nu-Enamel is registered under

this Act, and Respondents are entitled to the jurisdictional advantages which the Act confers. In any event whether the wrong committed against Respondents by Petitioner is described as trade-mark infringement or unfair competition, the act is the same. It is the act, not the epithet applied to it which is important. The District Court had jurisdiction to determine the whole controversy no matter whether the wrong is called trade-mark infringement or unfair competition. This is so even if there is a legal difference between trade-mark infringement and unfair competition. (*Recamier v. Harriet Hubbard Ayer, Inc.*, (D. C. N. Y.) 59 Fed. (2d) 802, 806; *Vogue Co. v. Vogue Hat Co.*, (C. C. A. 6) 12 Fed. (2d) 991, 992; *Waterman Co. v. Gordon*, (C. C. A. 2) 72 Fed. (2d) 272; *Hurn v. Oursler*, 289 U. S. 238, 246.)

The name Nu-Beauty Enamel, used by Petitioner, was adopted to enable it to divert to itself the good will of Respondents' business, by appropriation of the mark by which that good will is symbolized (R. 137). Petitioner's use of the name Nu-Beauty Enamel, causes Petitioner's goods to be sold as and for Respondents'. Nu-Beauty Enamel is therefore a colorable imitation of Respondents' trade-mark, within the meaning of the Act. The rights to be considered are those of the parties to this proceeding as between themselves. (*International News v. Associated Press*, 248 U. S. 215, 239, 63 L. Ed. 211.) The question is specific and concrete. (*American Waltham Watch Co. v. United States Watch Co.*, 173 Mass. 85.)

ARGUMENT.

THERE IS NO LEGAL DIFFERENCE BETWEEN INFRINGEMENT OF
A TRADE-MARK AND THE COMMON CASE OF UNFAIR COM-
PETITION.

Trade-marks are not monopolistic grants like patents and copyrights (*Trade-Mark Cases*, 100 U. S. 82). In *Prestonettes v. Coty*, 264 U. S. 359, Mr. Justice Holmes said (368):

“It (a trade-mark) does not confer a right to prohibit the use of the word or words. It is not a copyright. * * * A trade-mark only gives the right to prohibit the use of it so far as to protect the owner's good will against the sale of another's product as his.”
(Interpolation ours.)

In *United Drug Co. v. Rectanus*, 248 U. S. 90, 97-98, Mr. Justice Pitney said:

“The owner of a trade-mark may not, like the proprietor of a patented invention, make a negative and merely prohibitive use of it as a monopoly.”

In truth, a trade-mark confers no monopoly whatever in a proper sense * * *.”

Trade-marks are merely a convenient way of distinguishing the goods of one trader from those of another. By furnishing a means of identification, they perpetuate good will, and enable purchasers, by recognizing the marks, to buy again the goods which have pleased them before (*McLean v. Fleming*, 96 U. S. 245, 252). The public is thus assured of identity, and is given an opportunity to choose between competing articles. To protect trade-marks, i. e., marks which permit the goods of different makers to be distinguished from each other, is to promote competition and is sound public policy.

The protection, which is accorded is security against

misrepresentation as to the origin of goods, by suppressing imitations which are calculated to mislead buyers into the belief that the goods of one maker are those of another.

There is no essential difference between trade-mark infringement and what is loosely called unfair competition. Unfair competition is the genus of which trade-mark infringement is one of the species; "the law of trade-marks is but a part of the broader law of unfair competition" (*United Drug Co. v. Rectanus*, 248 U. S. 90, 97). All trade-mark cases are cases of unfair competition and involve the same legal wrong. As Mr. Justice Pitney observed in *Hanover Star Milling Co. v. Metcalf*, 240 U. S. 403, 412:

"The essence of the wrong consists in the sale of the goods of one manufacturer or vendor for those of another."

"This essential element is the same in trade-mark cases as in cases of unfair competition unaccompanied with trade-mark infringement."

The only difference between a trade-mark infringement case and a case of what we, in this country, sometimes call unfair competition and the English "passing off", is in the matter of evidence. A trade-mark, as commonly conceived, is a mark having no reference to the character of the goods. Any unauthorized use of it on competing goods is presumed to be for the purpose of passing them off as the goods of the original user of the mark. The use of a name or device which may have reference to the character of the goods, raises no such initial presumption; but when it is shown that the mark in fact identifies the plaintiff's goods and that the unauthorized use or imitation of it on competing goods, in fact represents them as coming from the trader with whose goods the mark identifies, there is the same misrepresentation of origin as in the case of a technical trade-mark and the same relief is called for. In the one case, identification and the consequent passing off of goods

is presumed; in the second case, there is no presumption, but if the facts are proved which equal the presumption, the same legal consequences follow. The wrong is the false representation that the goods of one trader are those of another. And as this Court (quoting Lord Justice Turner) said in *Howe Scale Co. v. Wyckoff*, 198 U. S. 118, 137:

“‘It is a question of evidence in each case whether there is false representation or not.’”

Whether the wrong is termed trade-mark infringement or unfair competition, “the ultimate offense always is that defendant has passed off his goods as and for those of the complainant” (*G. & C. Merriam Co. v. Saalfield*, (C. C. A. 6) 198 Fed. 369, 372). This is the offense which Petitioner committed.

NU-ENAMEL IS RESPONDENTS’ TRADE-MARK, BECAUSE IN FACT IT DISTINGUISHES RESPONDENTS AND THEIR GOODS.

It seems irrational to argue that Nu-Enamel is not a good trade-mark as a matter of law when the admitted fact is that Nu-Enamel is understood to mean Respondents and Respondents’ products only, and that the word Nu-Enamel is a mark by which the goods of Respondents are distinguished from other goods of the same class (R. 13). Nu-Enamel represents a valuable good will which is Respondents’ property. In Mr. Justice Holmes’ phrase in *Beech-ut v. Lorillard*, 273 U. S. 629, 632, it is:

“a distinguishable token devised or picked out with the intent to appropriate it to a particular class of goods and with the hope that it will come to symbolize good will.”

It is a contradiction in terms to say that a mark which admittedly does indicate origin, cannot do so. Thinking realistically, a mark which in fact distinguishes Respondents’ goods from others in the same class, is Respondents’ trade-mark. By association, the word Nu-Enamel points

distinctly to the origin of the article to which it is applied. Hence, by definition it is a trade-mark.

In *Canal Co. v. Clark*, 13 Wall. 311, 323, Mr. Justice Strong said:

"Hence the trade-mark must either by itself, or by association, point distinctively to the origin or ownership of the article to which it is applied."

This statement was quoted with approval by Mr. Chief Justice Fuller in *Lawrence Mfg. Co. v. Tennessee Mfg. Co.*, 138 U. S. 537, 546, and cited by Mr. Justice Field in *Amoskeag Mfg. Co. v. Trainer*, 101 U. S. 51, 54, where the principle was restated:

"The object of the trade-mark is to indicate, either by its own meaning or by association, the origin or ownership of the article to which it is applied."

All of our National trade-mark legislation implicitly recognizes these fundamental principles. The existing Federal trade-mark statutes do not involve the substantive law but deal with jurisdictional and procedural matters only. Mr. Chief Justice Hughes pointed this out in *American Trading Co. v. Heacock*, 285 U. S. 247, 258, in speaking of the provisions of the Trade-Mark Act of February 20, 1905 (U. S. C. A. Title 15, Secs. 81, *et seq.*), but those provisions as to jurisdiction and procedure have been carried over into the Trade-Mark Act of March 19, 1920 (U. S. C. A. Title 15, Sec. 121 *et seq.*) under which Respondents' mark is registered.

The Act of 1905 permits the registration of arbitrary marks and marks which are presumed to have become identifying by continuous and exclusive use as trade-marks for ten years prior to February 20, 1905 (*Dauids v. Davids*, 233 U. S. 461). The "b" register of the Act of 1920 is merely an extension of the so-called ten-year proviso of the Act of 1905.

ONE OF THE PURPOSES OF THE ACT OF 1920 WAS TO PERMIT REGISTRATION OF DESCRIPTIVE TERMS, FUNCTIONING AS TRADE-MARKS, WHICH HAVE BEEN IN USE FOR ONE YEAR.

The Act of March 19, 1920, authorizes the registration of marks under the Buenos Aires Convention with which we are not here concerned. It also establishes a (b) register of marks not registrable under the 1905 Act (except those of an immoral or scandalous nature, and certain public insignia, which are excluded from both Acts). Descriptive marks are registrable on the (b) register provided by the 1920 Act. The Solicitor of the Department so advised the Secretary of the Interior (Appendix, *post*, 42). This is the construction followed by the Patent Office. In *Ex parte Chr. Hansen's Laboratory*, 18 T. M. Rep. 594, 151 Ms. Dec. 794, the Assistant Commissioner of Patents said of an application under the 1920 Act:

"The trade-mark act under which registration is here sought was intended to afford registration of descriptive names or terms which were not registrable under the 1905 Act, and this fact is made clear enough by the record of the proceedings leading up to the enactment of this law of March 19, 1920."

THE LEGISLATIVE HISTORY OF THE ACT OF 1920.

The bill which finally became the Act of March 19, 1920, was originally H. R. 9203, introduced at the request of the Treasury to carry out the provisions of the Inter-American Convention by authorizing the registration of marks transmitted by the International Bureau which the Convention created (Hearings, October 15, 1919, on H. R. 9023 before the House Committee on Patents, p. 3). H. R. 9023 was identical with the bill passed by the Senate a year before (p. 12). It provided only for what is the "a" register of the Act of 1920.

On Jan. 21, 22, 1920, the House Committee held hearings on H. R. 7175, which was a bill to amend section five of the trade-mark act of February 20, 1905, so as to permit the

registration under the so-called ten-year proviso of that act of marks applied to new goods in the same class as those included in the original registration. In the course of these hearings it was pointed out that the ten-year proviso, by fixing the arbitrary period, ten years prior to Feb. 20, 1905, worked injustice by excluding from registration marks used as trade-marks for a shorter period and equally worthy of protection (Hearings on H. R. 7157, p. 7). It was suggested that two years' use as a trade-mark ought to entitle a mark to registration whether it was descriptive of the article or not (Hearings, p. 7). These hearings resulted in the amendment to Section 5 of the Act of 1905.*

It then appeared that this amendment would not meet the difficulty: that there were marks functioning as trade-marks but which could not be registered under the 1905 Act even with the amendment to the ten year proviso. The Commissioner of Patents proposed adding to the bill authorizing the registration of Pan-American marks, a new section as follows (Hearings, p. 30):

"All other marks not registrable under the Act of February 20, 1905 (as amended) but which for not

* "And if any person or corporation shall have so registered a mark upon the ground of said use for ten years preceding February 20, 1905, as to certain articles or classes of articles to which said mark shall have been applied for said period, and shall have thereafter and subsequently extended his business so as to include other articles not manufactured by said applicant for ten years next preceding February 20, 1905, nothing herein shall prevent the registration of said trade-mark in the additional classes to which said new additional articles manufactured by said person or corporation shall apply, after said trade-mark has been used on said article in interstate or foreign commerce or with the Indian tribes for at least one year provided another person or corporation has not adopted and used previously to its adoption and use by the proposed registrant, and for more than one year such trade-mark or one so similar as to be likely to deceive in such additional class or classes." (U. S. C. Tit. 15, § 85.)

less than two years have been bona fide used in interstate or foreign commerce, or commerce with the Indian tribes, by the proprietor thereof, upon or in connection with any goods of such proprietor and upon which the fee of \$10 has been paid and such formalities as are prescribed by the Commissioner of Patents have been complied with, may be registered."

This bill then became H. R. 9023 and this section, with only verbal changes, became paragraph (h). The period of use was reduced to one year in the Senate (Congressional Record, Feb. 21, 1920, p. 3225). The Assistant Commissioner of Patents, in the hearings on H. R. 9023 on Jan. 21, 22, 1920, pointed out that, apparently by oversight, the registration of immoral and scandalous marks and public insignia might be possible and suggested that the bill be amended by inserting after the words "all other marks not registrable under the Act of February 20, 1905", the words "except those specified in paragraphs (a) and (b) of Section 5 of that act or words to that effect." (Hearings, H. R. 9023, p. 34.)* This was done.

It is apparent from the legislative history of the Act of 1920 that the register provided by it was considered the exact parallel of the ten-year proviso of the 1905 Act, the only differences being the period of use required and that registration carried no presumption of ownership. In every other respect it had the same effect. The only marks intended to be excluded from the benefits of the 1920 Act were immoral and scandalous marks and certain public insignia. The registration of descriptive, personal and geographical names if used bona fide as trade-marks, for one year, was expressly contemplated.

* Mr. Whitehead: One or two slight amendments ought, it seems to me, be made to the bill. The bill as it stands is broad enough to put any mark on the register. Section 5 of the act of February 20, 1905, outlaws—if I may use that expression—two classes of marks—one, scandalous and immoral marks, and the other marks consisting of the flag or

THE "B" REGISTER PROVIDED BY THE ACT OF 1920 IS ANALOGOUS TO THE TEN-YEAR PROVISIO OF THE ACT OF 1905.

There is an exact analogy between the general purposes of the 1920 Act authorizing the registration of marks used as trade-marks for one year and the ten-year proviso of the 1905 Act (U. S. C. Tit. 15 § 85) which authorizes the registration of marks used as trade-marks for ten years prior to Oct. 20, 1905.* A side by side comparison is a demonstration of this. The ten-year proviso is as follows:

That nothing herein shall prevent the registration of any mark used by the applicant or his predecessors, or by those from whom title to the mark is derived, in commerce with foreign nations or among the several States or with Indian tribes which was in actual and exclusive use as a trade-mark of the applicant, or his predecessors from whom he derived title, for ten years next preceding February twentieth, nineteen hundred and five.

The corresponding section of the 1920 Act is as follows:

"(b) All other marks not registerable under the Act of February 20, 1905, as amended, except those specified in paragraphs (a) and (b) of section 5 of

coat of arms of the United States, etc., and it seems as if this Senate amendment ought to be amended to exclude those marks specified in paragraphs (a) and (b) of that section. Otherwise there can be put on the register scandalous marks and the flag of the United States. I think it must have been overlooked. I do not think Mr. Merritt or Mr. Newton thought that they were including those two types of marks. It seems as if that could be accomplished by inserting in the amendment, after the words "all other marks not registerable under the act of February 20, 1905," the words, "except those specified in paragraphs (a) and (b) of section 5 of that act," or words to that effect.

* The Patent Office takes this view. In *Ex parte Pillsbury Flour Mills Co.*, 23 U. S. P. Q. 168, 169, 159 M. D. 347. Assistant Commissioner Spencer said:

"Of course, at common law, even descriptive marks

that Act, but which have been in bona fide use for not less than one year in interstate or foreign commerce, or commerce with the Indian tribes by the proprietor thereof, upon or in connection with any goods of such proprietor upon which a fee of \$15 has been paid to the Commissioner of Patents and such formalities as required by the said commissioner have been complied with."

The "b" register of the 1920 Act, like the ten-year proviso, is designed to afford registration to marks actually used as trade-marks although they may be descriptive, geographical or personal names. The observations of the Chief Justice in *Thaddeus Davids Co. v. Davids*, 233 U. S. 461, 468-9, in discussing this aspect of the Act of 1905 are equally applicable to the Act of 1920. He remarked that to accept the defendant's argument that registration, although authorized, was ineffective was to say "that registration was expressly permitted but that protection to the registrant was denied," and that this would render the law meaningless by stripping it of practical effect; that "It was not the intention of Congress thus to provide for a barren notice of an ineffectual claim, but to confer definite rights."

Petitioner says that descriptive terms and the like even when used as trade-marks for a year are excluded from registration under the Act of 1920. This contention, it seems to us, ignores and if sustained, would frustrate the purpose of the statute and render it not only useless but mean-

which had acquired a secondary meaning were awarded recognition and, since the trade-mark statutes are patterned after the common law, both the Act of 1905 and the Act of 1920 permit the registration of certain descriptive terms. The first of these Acts provides for the registration of descriptive terms that had been in exclusive use more than ten years prior to the passage of the Act and the second provides for the registration of descriptive terms that have been in exclusive use for a period of one year prior to the date of application for registration."

ingless. Such a construction would exclude from the register all of the marks excluded by the Act of 1905 and leave nothing to the statute. (See *Thaddæus Davids v. Davids*, 233 U. S. 461, 467.)

Congress evidently intended, by including the jurisdictional provisions in the 1920 Act, to "confer a definite right" to bring in the Federal Court suits concerning marks registered under that Act. If this right was not conferred, the provision means nothing. The jurisdictional provisions and the remedies in the Acts of 1905 and 1920 are identical. Indeed Sec. 6 of the Act of 1920 incorporates these sections of the Act of 1905 by reference (U. S. C. Tit. 15, Sec. 126).

The Nu-Enamel mark now before the Court is not only registered under the 1920 Act, but meets all the tests prescribed by the statute and imposed in Patent Office practice. The record shows that it is susceptible of trade-mark use; that it has actually been so used; is regarded even by Petitioner as a trade-mark; (R. 76) and that the trade-mark significance of the word Nu-Enamel as an identification of Respondents and Respondents' goods is fully recognized by the public (R. 134-136). These being the facts, the mark was clearly registrable under the 1920 Act. Being so registered, it is entitled to all the protection afforded by that Act, including, of course, the right of access to the Federal Courts in cases involving it.

Both the 1905 Act and the 1920 Act provide for the registration of trade-marks used in commerce with foreign nations among the several states and with the Indian tribes. They give the Federal Courts jurisdiction of cases concerning trade-marks registered thereunder. The intent no doubt was that marks used in commerce which is within the sole control of the Federal Government are a proper subject matter for Federal regulation and that cases respecting

them are appropriate ones for the Federal Courts to adjudicate.

The only prerequisite for Federal jurisdiction under either Act is registration, and the District Courts have recognized their authority to act on that ground alone. In *Recamier v. Harriet Hubbard Ayer, Inc.*, (D. C. N. Y.) 59 Fed. (2d) 802, Judge Patterson said (806):

"There being no diversity, jurisdiction rests solely upon section 17 of the Trade-Mark Act (15 U. S. C. A. Sec. 97), by virtue of which the district court may hear cases involving trade-marks which are registered under the act. If there is no registry of the Ayer name as the trade-mark by the plaintiff or any of its predecessors, there is no jurisdiction.

"The defendant, however, saw fit to put in a counterclaim wherein it appears that it registered a trade-mark covering the Ayer signature. Due to the counterclaim, the case does involve a registered trade-mark covering the Ayer signature and the United States courts have jurisdiction. The merits of the conflicting claims to the Harriet Hubbard Ayer trade-mark will therefore be considered."

Section 17, to which Judge Patterson refers, is transferred into the 1920 Act.

**JURISDICTION. ONCE ATTACHING, THE COURT HAS POWER TO
DECIDE ALL QUESTIONS INVOLVED.**

When by virtue of the registration, the Federal Courts have authority to act, they have authority to deal fully with all aspects of the case. In *Vogue Co. v. Vogue Hat Co.*, (C. C. A. 6), 12 Fed. (2d) 991, Judge Denison held (992):

"It is a familiar principle that, when the jurisdiction of a federal trial court is invoked upon the ground that the plaintiff presents a right arising under federal laws, the court thereby acquires jurisdiction of the case, and it examines and decides all questions involved, even though the federal question may be resolved against the plaintiff or may be passed without decision.

(995):

"Accordingly we conclude that since the acts which in this case constitute the claimed infringement of a registered trade-mark and the claimed unfair competition are, at least in sufficient degree, the same acts, and since it is to be assumed that the trade-mark registry was valid, the court had jurisdiction to enjoin the unfair competition, although it had decided that the registered trade-mark was not infringed * * *"

As we see it, it is of no importance whether the acts complained of in this case are called trade-mark infringement or unfair competition. Their characterization is merely epithetical. The act is the same. But even if it should be held that Respondents' registration of Nu-Enamel is invalid, still the District Court had jurisdiction to restrain the use of Nu-Beauty Enamel which results in the passing off of Petitioner's goods as Respondents'.

In *Waterman Co. v. Gordon*, (C. C. A. 2) 72 Fed. (2d) 272, 273, Judge Learned Hand stated:

"Registry does not create the cause of suit; it merely gives jurisdiction to the District Court, and certain procedural advantages.

(274):

"In the case at bar it is only necessary that we should hold that the cause of suit upon the registered trademark was substantial enough to support the jurisdiction of the District Court. If it was, *Hurn v. Oursler*, *supra*, 289 U. S. 283, 53 S. Ct. 586, 77 L. Ed. 1148, rules."

The facts bring the present case, like that one, clearly within the doctrine of *Hurn v. Oursler*, 289 U. S. 238. There Mr. Justice Sutherland expressed this Court's view that (246) "where the federal question averred is not plainly wanting in substance, the federal court, even though the federal ground be not established, may nevertheless retain and dispose of the case upon the non-federal ground * * *." He indicated that there, as here (246):

"the claims of infringement and unfair competition so precisely rest upon identical facts as to be little more than the equivalent of different epithets to characterize the same group of circumstances. The primary relief sought is an injunction to put an end to an essentially single wrong, however differently characterized, not to enjoin distinct wrongs constituting the basis for independent causes of action."

In any event in this case diversity of citizenship existed at the time of the trial in the District Court (R. 22-25).

There is no reason why Congress should not designate the misuse or imitation of registered marks as trademark infringement or as unfair competition. It is both or either. As Mr. Justice Sutherland indicated, it does not matter what epithet is used; the wrong is the same. It is the misuse of a name or device in such circumstances as to result in the passing off of goods.

With these considerations in mind the present case is simple. The name Nu-Enamel is registered as a trademark under the Act of 1920. Granting there is no presumption either of validity or ownership resulting from regis-

tration under this Act as under the Act of 1905, in this case the lack of presumption is supplied by the admitted fact (R. 13) that Nu-Enamel distinguishes Respondents' goods only.

If Nu-Enamel were wholly meaningless except as an identification, there would be a further presumption that its appropriation or imitation by a later comer would have a tendency to represent that his goods came from the trader whose goods it connotes. But if there is here no such presumption, the lack of it is met by the fact that the use by Petitioner of the mark Nu-Beauty Enamel was intended to represent Petitioner's goods as coming from Respondents and in fact had this result.

A proved fact is at least as good as a presumption. Moreover, infringement is a fact. The wrong in this case committed by the Petitioner against Respondents is the successful diversion to itself of the good will of Respondents' business by the intentional appropriation of a name by which that good will in fact is symbolized. As this Court observed in *International News v. Associated Press*, 248 U. S. 215, 239, 63 L. Ed. 211:

"The fault in the reasoning lies in applying as a test the right of the complainant as against the public, instead of considering the rights of complainant and defendant, competitors in business, as between themselves."

As Mr. Justice Holmes remarked in *American Waltham Watch Co. v. United States Watch Co.*, 173 Mass. 85, the question is specific and concrete.

PETITIONER'S INFRINGEMENT IS ESTABLISHED BY THE EVIDENCE.

The case being specific and concrete and the District Court having, as we think, jurisdiction to stop a manifest wrong which Petitioner perpetrated against Respondents,

it may be appropriate to consider the facts which impelled the Circuit Court of Appeals to hold (R. 137) that Petitioner "attempted to convert to its own use the property right which Plaintiff (Respondent) had built up represented by the trade-mark." The outline of this property right is shown, in Mr. Justice Holmes' phrase, "by the law of torts of which the right is a prophetic summary."

The evidence of Petitioner's bad motive is overwhelming and this in itself is almost conclusive on the issue of infringement. Petitioner knew of Respondent's trade-mark before adopting Nu-Beauty Enamel as a name for its goods designed to compete with Respondents'. Petitioner deliberately went out to "get its share of that business created by the demand for Nu-Enamel" (R. 66). It employed a man, formerly with Respondents, to "put the proposition over" (R. 64). Petitioner copied Respondents' advertising, solicited their customers (R. 65), and established retail outlets as near to Respondents' as it could (R. 65).

Petitioner's advertising manager, Milton C. Fisher, stated (R. 74) that in 1933 Petitioner put out a product called "Nu-Beauty Furniture Cream"; that in August, 1934, it brought out "Nu-Beauty Enamel"; and that the other items of the line under the name "Nu-Beauty" were later; and (R. 75): "Prior to 1934, when we adopted the name Nu-Beauty Enamel, our company had been putting out enamels and varnishes under some other trade-mark. . . . The product which we put out in 1934, was not a new product; we didn't at that time add enamels and varnishes to our line of products, we had been putting those out previously." Again, "I had heard of Nu-Enamel before I suggested the name Nu-Beauty for this furniture polish and for this line of products" (R. 74). Speaking of "Nu-Enamel", the witness said (R. 73): "It is a well known product. I have seen it on sale in stores, in and about Chi-

cago, by the name of Nu-Enamel." Again (R. 76): "When we adopted Nu-Beauty for cream, furniture cream, and enamel and varnish, I was familiar or was aware of the trade-mark Nu-Enamel."

So we have the fact, admitted by the Petitioner's advertising manager, that when Petitioner adopted the name Nu-Beauty Enamel, it knew of the Respondents' trade-mark Nu-Enamel and that the Respondents' goods were well known, and, as this witness said (R. 73):

"I am familiar with a product sold under the trade-mark Nu-Enamel. It is a well known product. I have seen it on sale in stores, in and about Chicago, by the name of Nu-Enamel. I have known of Nu-Enamel since 1932 or 1933, I have no definite way of fixing it in my mind."

But Petitioner was not content merely with adopting a name for a competing line which it knew was a well known designation of a competitor's goods. Not satisfied with this, which makes the Petitioner's intent plain enough, it hired W. J. Nelson, who had been an employee as district manager in the east of Nu-Enamel Company of New York, an affiliated company of the Respondents. This employment began on June 1, 1935 (R. 91). Mr. Van Antwerp, his immediate superior, speaking of Mr. Nelson, said (R. 92):

"He engaged new distributors, new outlets for us. I don't know how I would qualify many and few. I would say that he did a very good job. . . . He did a good job of engaging new accounts. He never managed the department. I wouldn't credit the growth of the department to his salesmanship."

Nelson testified (R. 64):

"I was hired to devote all of my time and effort to the promotion, development and sale of New-Beauty Enamel. At the time he (Van Antwerp) employed me he told me he was not quite ready to start it at that time, that he had some changes he was making and some things were not in quite the shape to proceed,

and we set the date for June 3rd to start my employment.

"I was told that they were not capable of instructing me, with the experience I had in developing Nu-Enamel, but told me they were going to look to me for suggestions and instructions. They told me I would have to use my own initiative and they were depending on me to put this proposition over in the same manner Nu-Enamel had been put over. I was told that they had no definite policy outlined, and that Nu-Enamel had done an outstanding job in that specialty field, and that I knew more about that than they did, that I should use my own judgment, develop it and put it over on the same basis if necessary." (Interpolation ours.)

Nelson turned over Nu-Enamel sales material to Petitioner. He proceeded to develop the department on the same lines used by Respondents. He solicited and engaged new distributors, which were most always in the vicinity of a Nu-Enamel store or Nu-Enamel dealer (R. 65). The Nu-Enamel advertising matter was copied and adapted. Nelson testified (R. 65): "I mentioned to Mr. Fisher, the advertising manager, the similarity of these two, the design on those two color cards. I said 'That is copy of the Nu-Enamel girl.' He said 'We just straightened her up a little bit and gave her the sign to hold.'" Indeed, Petitioner's establishment was so permeated with Nu-Enamel ideas that (R. 66):

"Mr. Sappington (Petitioner's assistant sales manager) said several times that Nu-Enamel had made the public enamel conscious, and that we were going out to get their share of that business created by the demand for Nu-Enamel. It was the custom in and around the offices of the Armstrong Paint & Varnish works in referring to New-Beauty Enamel to call it Nu-Enamel as often as it was called New-Beauty Enamel. It was general unless one was specific in his conversation to distinguish between the two." (Interpolation ours.)

Also, the prices of Nu-Enamel, which were unusual, were adopted by Petitioner (R. 65). The witness carried around

in calling on the trade his identification credential from the Nu-Enamel Corporation which the Petitioner's officers knew and did not object to (R. 67). Every step was taken with Nu-Enamel in view, and (R. 69), "They compared it to Nu-Enamel, Nu-Enamel was used as the standard of comparison of all enamels in the Armstrong laboratory."

When the suit was brought, Mr. Nelson testified (R. 66):

"Mr. Goldsmith (Petitioner's president) told me, as well as Mr. Van Antwerp (vice president and sales manager) and Mr. Sappington (assistant sales manager), that we had to soft pedal these New-Beauty merchandising ideas until this suit was over, and that Mr. Goldsmith hesitated to go ahead with the proposition. They called Mr. Armstrong the skipper. They said the skipper was very much worried about it. They told me to tone down in carrying on the New-Beauty establishment of dealers and distributors and asked me to go into the full line, sell the full line of Armstrong products under other brand names. At one time Mr. Van Antwerp said 'I don't want this copying of Nu-Enamel ideas too evident.'" (Interpolation ours.)

It may be said in passing that none of these statements was denied. Mr. Goldsmith, Petitioner's president, Mr. Van Antwerp, its vice president and sales manager, and Mr. Sappington, assistant sales manager, testified, and did not deny any of them. Indeed, they spoke rather well of Mr. Nelson. Mr. Van Antwerp said (R. 92) that he did a "good job."

So we have this situation. Nu-Enamel was a well known product under a well known name and was well known to Petitioner who, as its advertising manager put it, was "going out to get their share of that business created by the demand for Nu-Enamel" (R. 66). It is perfectly obvious that Petitioner's copying was not only of sales methods but of Respondents' identifying name, its advertising schemes, its color cards, and everything else. In short, there was a conscious effort to appropriate every-

ag distinctive of Respondents' business so that Petitioner's purpose to appropriate the Nu-Enamel good will might be successfully carried out. There are definite legal implications from the intent which, in this case, so clearly appears from the evidence.

In *Enoch Morgan's Sons Co. v. Ward* (C. C. A. 7) 152 Fed. 690, 693, Judge Baker said:

"Of course, an actual infringer is answerable, irrespective of his intent; but there is a view in which intent has a bearing on the fact of infringement. Appellee's intent to profit by appellant's marks is quite apparent, we think, even when each of his acts is regarded separately; when taken together, his acts are unmistakable, just as the plea of ignorance on the part of one who passes counterfeit money becomes untenable in the face of successive instances. If appellee had desired to build up an honest independent trade in his product, he would have selected, as did appellant's fair-minded competitor's, marks as distinct from appellant's as possible. Appellee's purpose being established, from it his opinion as an expert may be accepted that the steps he took were well adapted to injure the appellant company in its property rights."

The Circuit Court of Appeals of the Second Circuit has recently taken the same view (*My-T Fine Corporation v. Muels, et al.*, (C. C. A. 2) 69 Fed. (2d) 76, 77), Judge Learned Hand stating:

"We need not say whether that intent is always a necessary element in such causes of suit; probably it originally was in federal courts. *McLean v. Fleming*, 96 U. S. 245, 24 L. Ed. 828; *Lawrence Mfg. Co. v. Tennessee Mfg. Co.*, 138 U. S. 537, 11 S. Ct. 396, 34 L. Ed. 997; *Elgin National Watch Co. v. Illinois Watch Case Co.*, 179 U. S. 665, 21 S. Ct. 270, 45 L. Ed. 365. But when it appears, we think that it has an important procedural result; a late comer who deliberately copies the dress of his competitors already in the field, must at least prove that his effort has been futile. *Prima facie* the court will treat his opinion so disclosed as expert and will not assume that it was erroneous. *Fairbank Co. v. R. W. Bell Mfg. Co.*, 77 F. 869, 877 (C. C.

A. 2); *Capewell Horse Nail Co. v. Green*, 188 F. 20, 24 (C. C. A. 2); *Wolfe Bros. & Co. v. Hamilton*, 165 F. 413, 416 (C. C. A. 8); *Thum Co. v. Dickinson*, 245 F. 609, 621, 622 (C. C. A. 6); *Wesson v. Galef*, (D. C.) 286 F. 621, 626."

In *Wesson v. Galef*, 286 Fed. 621, 625, the same judge said:

"The defendants argue that revolvers are expensive articles, and that men buy them only after examination. That is undoubtedly true in many instances, and it is never the hope of simulators to do more than catch the unwary. Since I am satisfied that the makers of these revolvers tried to do so, I do not see that I need weigh too nicely the probabilities of their success. We are accustomed to speak of a deliberate imitation of this sort as a fraud, and indeed the earlier cases thought fraud an essential of the case. Whatever other legal result fraud may have, at least it relieves the injured party from the need of showing that the imitator was successful. He may take him at his own belief, and assume that, if he thought some buyers would be careless enough not to notice the distinguishing marks, he was right."

In *Capewell Horse Nail Co. v. Green*, (C. C. A. 2) 188 Fed. 20, 24, Judge Lacombe said:

"If it is apparent that he is undertaking closely to approach to a well-known mark, it is generally a pretty safe assumption that he thinks the differences are not sufficiently great to prevent confusion."

In view of this, we might well have dispensed with proof of the fact that there had been passing off of Petitioner's goods for the Respondents'. But in this case there is testimony of actual deception (R. 43). Dr. Teschan of Milwaukee (R. 43) had heard of Nu-Enamel. He wanted to refinish his office furniture. He bought a can of paint thinking it was Nu-Enamel at Gimbel's in Milwaukee and painted his furniture with it. A friend came in to see the completed job. Dr. Teschan said he had refinished his

furniture with Nu-Enamel. The friend "spotted the can and said, 'Why this is not Nu-Enamel, it is New-Beauty Enamel.'" Dr. Teschan had seen the Nu-Enamel displays and saw the New-Beauty Enamel display at Gimbel's and supposed that what was being displayed was Nu-Enamel. He said (R. 44):

"The display and demonstration was similar to that I had seen in the Nu-Enamel store."

And again,

"I had seen this type of can. I was not cognizant of the color at the time. I had paid attention to the Nu-Enamel name only."

Being a scientific man, he attempted to analyze his own impressions, saying (R. 45):

"When I was using this can of New-Beauty Enamel I did not notice the name New-Beauty Enamel. I thought that I had bought Nu-Enamel probably because of an unconscious auditory recording of the term 'Nu'. In Gimbel's I saw the word 'New-Beauty' displayed in and about that counter. I understood that the products that were being displayed there were the same products that I had seen displayed in the Nu-Enamel store."

Earl Seifert, the friend who visited Dr. Teschan, corroborated this testimony. Here is a clear case of deception from the use of the name "New Beauty Enamel" without any contributory passing off on the part of the dealer.

Mr. Nelson testified that during his sales efforts for the Petitioner (R. 65):

"I have been in the stores of dealers handling New-Beauty Enamel when customers came in and asked for Nu-Enamel. Dealers would sell Nu-Beauty Enamel on calls for Nu-Enamel. I saw that myself. I saw dealers in stores handling New-Beauty Enamel sell New-Beauty Enamel on calls for Nu-Enamel. I saw that, I would say by most of the dealers I called back on during the promotion of the business. The dealers that I saw do this were the Walker Company in Oak

Park; Riverside Electric in Riverside; the Latsis Drug Store in Oak Park. I don't remember all of the various dealers. McBreen Electric particularly, Home Appliance; Anderson Company Hardware in Sycamore; and Mochel Hardware Company in Downers Grove, who was formerly a Nu-Enamel dealer. When customers came in and asked for Nu-Enamel, they sold New Beauty Enamel."

But there is much additional testimony in the record (R. 47-62). Forty-four instances of passing off Petitioner's product for Respondents' at twenty-seven stores on fifty-one calls were proved. The witnesses testified that they asked distinctly for Nu-Enamel. Of the twenty-seven stores visited, one substituted Nu-Beauty Enamel on calls for Nu-Enamel five times to different shoppers; two stores passed off three times; and nine stores passed off twice. The remaining fifteen stores each passed off once. In every instance the passing off was of Petitioner's product, some labeled Nu-Beauty Enamel, some New Beauty Enamel.

Petitioner, by furnishing to dealers the instrument of fraud, is responsible for the use that is made of it. *Federal Trade Commission v. Winsted Hosiery Company*, 258 U. S. 483, where Mr. Justice Brandeis said (494):

"That a person is a wrongdoer who so furnishes another with the means of consummating a fraud has long been a part of the law of unfair competition."

CONCLUSION.

Petitioner asserts that, after this suit was brought, it stopped using the name Nu-Beauty Enamel and now is designating as New Beauty Enamel only one article which, Petitioner says, is enamel. It may be pointed out that Petitioner's use of Nu-Beauty Enamel or New Beauty Enamel is not as a description but as a name. This court has clearly indicated the distinction in *Baglin v. Cusenier*, 221 U. S. 580, 601. Respondents do not claim that Petitioner may not sell enamel and so describe it. The deception in this case does not arise from the use of the word

enamel as a description but results from the unnecessary and misleading juxtaposition of the syllable Nu or New and the word Enamel—at the top of the label as a name or designation for Petitioner's goods. As the court said in *Davidson v. Davidson*, 233 U. S. 461, 471:

"The distinction between permissible and prohibited uses may be a difficult one to draw in particular cases, but it must be drawn in order to give effect to the act of Congress. That the distinction may readily be observed in practice is apparent. In this case, for instance, if the defendants had so chosen, they could have adopted a distinct mark of their own, which would have served to designate their inks and completely to distinguish them from those of the complainant. It was not necessary that, in exercising the right to use their own name in trade, they should imitate the mark which the complainant used, and was entitled to use under the statute, as a designation of its wares; or that they should use the name in question upon their labels without unmistakably differentiating their goods from those which the complainant manufactured and sold."

It is implicit in Petitioner's argument that it claims the right to sell its goods as Nu-Enamel. Petitioner suggests that there is some rule of law which permits it to apply to goods not coming from Respondents a name which Petitioner admits identifies Respondents' products only. In short that Petitioner has discovered a variety of fraud that equity cannot reach.

In view of Petitioner's past conduct, if it should succeed in this action and it should be held that it may appropriate Respondents' trade-mark with impunity, Petitioner's piracy would no doubt be resumed and extended. This is not a baseless fear. Petitioner's president admonished its sales-manager Nelson (R. 66):

"Mr. Goldsmith told me . . . that we had to soft pedal these New Beauty merchandising ideas until this suit was over . . . At one time Mr. Van

Antwerp (petitioner's vice-president) said, 'I don't want this copying of Nu-Enamel ideas too evident.'"

Respectfully submitted,

EDWARD S. ROGERS,

For Respondents.

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APPENDIX.

ACT OF MARCH 19, 1920.

ACT TO GIVE EFFECT TO CERTAIN PROVISIONS OF THE CONVENTION FOR THE PROTECTION OF TRADE-MARKS AND COMMERCIAL NAMES, MADE AND SIGNED IN THE CITY OF BUENOS AIRES, IN THE ARGENTINE REPUBLIC, AUGUST 20, 1910, AND FOR OTHER PURPOSES.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That the Commissioner of Patents shall keep a register of (a) all marks communicated to him by the international bureaus provided for by the convention for the protection of trade-marks and commercial names, made and signed in the city of Buenos Aires, in the Argentine Republic, August 20, 1910, in connection with which the fee of \$50 gold for the international registration established by article 2 of that convention has been paid, which register shall show a facsimile of the mark; the name and residence of the registrant; the number, date, and place of the first registration of the mark, including the date on which application for such registration was filed and the term of such registration, a list of goods to which the mark is applied as shown by the registration in the country of origin, and such other data as may be useful concerning the mark.

(b) All other marks not registerable under the Act of February 20, 1905, as amended, except those specified in paragraphs (a) and (b) of section 5 of that Act,

(a) Consists of or comprises immoral or scandalous matter.

Act of February
20, 1905.

(b) Consists of or comprises the flag or coat of arms or other insignia of the United States or any simulation thereof, or of any State or municipality or of

Act of February
20, 1908.

any foreign nation, or of any design or picture that has been or may hereafter be adopted by any fraternal society as its emblem, or of any name, distinguishing mark, character, emblem, colors, flag, or banner adopted by any institution, organization, club, or society which was incorporated in any State in the United States prior to the date of the adoption and use by the applicant: *Provided*, That said name, distinguishing mark, character, emblem, colors, flag, or banner was adopted and publicly used by said institution, organization, club, or society prior to the date of adoption and use by the applicant:

but which have been in bona fide use for not less than one year in interstate or foreign commerce, or commerce with the Indian tribes by the proprietor thereof, upon or in connection with any goods of such proprietor upon which a fee of \$15 has been paid to the Commissioner of Patents and such formalities as required by the said commissioner have been complied with: *Provided*, That trade-marks which are identical with a known trade-mark owned and used in interstate and foreign commerce, or commerce with the Indian tribes by another and appropriated to merchandise of the same descriptive properties as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers, shall not be placed on this register.

SEC. 2. That whenever any person shall deem himself injured by the inclusion of a trade-mark on this register, he may at any time apply to the Commissioner of Patents to cancel the registration thereof. The commissioner shall refer such application to the examiner in charge of interferences, who is empowered to hear and determine this question, and who shall give notice thereof to the registrant. If it appear after a hearing before the examiner that the registrant was not entitled to the exclusive use of the mark at or since the date of his application for registration thereof, or that the mark is not used by the registrants or has been abandoned, and the examiner shall so decide, the commis-

sioner shall cancel the registration. Appeal may be taken to the commissioner in person from the decision of the examiner in charge of interferences.

SEC. 3. That any person who shall willfully and with intent to deceive, affix, apply, or annex, or use in connection with any article or articles of merchandise, or any container or containers of the same, a false designation of origin, including words or other symbols, tending to falsely identify the origin of the merchandise, and shall then cause such merchandise to enter into interstate or foreign commerce, and any person who shall knowingly cause or procure the same to be transported in interstate or foreign commerce or commerce with Indian tribes, or shall knowingly deliver the same to any carrier to be so transported, shall be liable to an action at law for damages and to an action in equity for an injunction, at the suit of any person, firm, or corporation doing business in the locality falsely indicated as that of origin; or in the region in which said locality is situated, or at the suit of any association of such persons, firms, or corporations.

SEC. 4. That any person who shall without the consent of the owner thereof reproduce, counterfeit, copy, or colorably imitate any trade-mark on the register provided by this Act, and shall affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration, or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce among the several States, or with a foreign nation, or with the Indian tribes, shall be liable to an action for damages therefor at the suit of the owner thereof; and whenever in any such action a verdict is rendered for the plaintiff the

court may enter judgment therein for any sum above the amount found by the verdict as the actual damages, according to the circumstances of the case, not exceeding three times the amount of such verdict, together with the costs.

SEC. 5. That it shall be the duty of a registrant under this Act of a mark falling within class (a) of section 1, to comply with the law of the country in which his original registration took place, in respect to giving notice to the public that the trade-mark is registered, in connection with the use of such trade-mark in the United States of America, and in any suit for infringement by a party failing to do this, no damages shall be recovered except on proof that the defendant was duly notified of the infringement and continued the same after such notice.

SEC. 6. That the provisions of sections 15, 17, 18, 19, 20, 21, 22, 23, 25, 26, 27, and 28 (as to class (b) marks only) of the Act approved February 20, 1905, entitled "An Act to authorize the registration of trade-marks used in commerce with foreign nations or among the several States, or with Indian tribes, and to protect the same," as amended to date,

SEC. 15. U. S. C., title 15, sec. 95. That section forty-nine hundred and thirty-five and forty-nine hundred and thirty-six of the Revised Statutes, relating to the payment of patent fees and to the repayment of fees paid by mistake, are hereby made applicable to trade-mark fees.

SEC. 17. U. S. C., title 15, sec. 97. That the district and territorial courts of the United States and the supreme court of the District of Columbia shall have original jurisdiction; and the circuit courts of appeals of the United States and the court of appeals of the District of Columbia shall have appellate jurisdiction of all suits at law or in equity respecting trade-marks registered in accordance with the provisions of this act arising under the present act, without regard to the amount in controversy.

SEC. 18. U. S. C., title 15, sec. 98. That writs of certiorari may be granted by the Supreme Court of the United States for the review of cases arising under this act in the same manner as provided for patent cases by the act creating the circuit court of appeals.

Act of Feb.
20, 1905.

SEC. 19. U. S. C., title 15, sec. 99. That the several courts vested with jurisdiction of cases arising under the present act shall have power to grant injunctions, according to the course and principles of equity, to prevent the violation of any right of the owner of a trade-mark registered under this act, on such terms as the court may deem reasonable; and upon a decree being rendered in any such case for wrongful use of a trade-mark the complainant shall be entitled to recover, in addition to the profits to be accounted for by the defendant, the damages the complainant has sustained thereby, and the court shall assess the same or cause the same to be assessed under its direction. The court shall have the same power to increase such damages, in its discretion, as is given by section sixteen of this act for increasing damages found by verdict in actions of law; and in assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost which are claimed.

Act of Feb.
20, 1905.

SEC. 20. U. S. C., title 15, sec. 100. That in any case involving the right to a trade-mark registered in accordance with the provisions of this act, in which the verdict has been found for the plaintiff, or an injunction issued, the court may order that all labels, signs, prints, packages, wrappers, or receptacles in the possession of the defendant, bearing the trade-mark of the plaintiff or complainant, or any reproduction, counterfeit, copy, or colorable imitation thereof, shall be delivered up and destroyed. Any injunction that may be granted upon hearing, after notice to the defendant, to prevent the violation of any right of the owner of a trade-mark registered in accordance with the provisions of this act, by any circuit court of the United States, or by a judge thereof, may be served on the parties against whom such injunction may be granted anywhere in the United States where they may be found, and shall be operative, and may be enforced by proceedings to punish for contempt, or otherwise, by the court by which such injunction was granted, or by any other

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20, 1905.

circuit court, or judge thereof, in the United States, or by the Supreme Court of the District of Columbia, or a judge thereof. The said courts, or judges thereof, shall have jurisdiction to enforce said injunction, as herein provided, as fully as if the injunction had been granted by the circuit court in which it is sought to be enforced. The clerk of the court or judge granting the injunction shall, when required to do so by the court before which application to enforce said injunction is made, transfer without delay to said court a certified copy of all the papers on which the said injunction was granted that are on file in his office.

SEC. 21. U. S. C., title 15, sec. 101. That no action or suit shall be maintained under the provisions of this act in any case when the trade-mark is used in unlawful business, or upon any article injurious in itself, or which mark has been used with the design of deceiving the public in the purchase of merchandise, or has been abandoned, or upon any certificate of registration fraudulently obtained.

SEC. 22. U. S. C., title 15, sec. 102. That whenever there are interfering registered trade-marks, any person interested in any one of them may have relief against the interfering registrant, and all persons interested under him, by suit in equity against the said registrant; and the court, on notice to adverse parties and other due proceedings had according to the course of equity, may adjudge and declare either of the registrations void in whole or in part according to the interest of the parties in the trade-mark, and may order the certificate of registration to be delivered up to the Commissioner of Patents for cancellation.

SEC. 23. U. S. C., title 15, sec. 103. That nothing in this act shall prevent, lessen, impeach, or avoid any remedy at law or in equity which any party aggrieved by any wrongful use of any trade-mark might have had if the provisions of this act had not been passed.

SEC. 25. U. S. C., title 15, sec. 104. That any person who shall procure registration of a trade-mark, or entry thereof, in the office of the Commissioner of Patents by a false or fraudulent declaration or representation, oral or in writing, or by any false means, shall be liable to pay any damages sustained in consequence thereof to the injured party, to be recovered by an action on the case.

SEC. 26. U. S. C., title 15, sec. 105. That the Commissioner of Patents is authorized to make rules and regulations, not inconsistent with law, for the conduct of proceedings in reference to the registration of trade-marks provided for by this act.

Act of February
20, 1906.

SEC. 27. U. S. C., title 15, sec. 106. That no article of imported merchandise which shall copy or simulate the name of any domestic manufacture, or manufacturer, or trader, or of any manufacturer or trader located in any foreign country which, by treaty, convention, or law affords similar privileges to citizens of the United States, or which shall copy or simulate a trade-mark registered in accordance with the provisions of this act or shall bear a name or mark calculated to induce the public to believe that the article is manufactured in the United States, or that it is manufactured in any foreign country or locality other than the country or locality in which it is in fact manufactured, shall be admitted to entry at any customhouse of the United States; and, in order to aid the officers of the customs, in enforcing this prohibition, any domestic manufacturer or trader, and any foreign manufacturer or trader, who is entitled under the provisions of a treaty, convention, declaration or agreement between the United States and any foreign country, to the advantages afforded by law to citizens of the United States in respect to trade-marks and commercial names, may require his name and residence, and the name of the locality in which his goods are manufactured, and a copy of the certificate of registration of his trade-mark, issued in accordance with the provisions of this act, to be recorded in books which shall be kept for this purpose in the Department of the Treasury, under such regulations as the Secretary of the Treasury shall prescribe, and may furnish to the department facsimiles of his name, the name of the locality in which his goods are manufactured, or of his registered trade-mark, and thereupon the Secretary of the Treasury shall cause one or more copies of the same to be transmitted to each collector or other proper officer of customs.

Act of February
20, 1906.

SEC. 28. U. S. C., title 15, sec. 107. That it shall be the duty of the registrant to give notice to the public that a trade-mark is registered, either by affixing thereon the words "Registered in U. S. Patent Office," or

abbreviated thus, "Reg. U. S. Pat. Off.," or when, from the character or size of the trade-mark, or from its manner of attachment to the article to which it is appropriated, this cannot be done, then by affixing a label containing a like notice to the package or receptacle wherein the article, or articles are inclosed; and in any suit for infringement by a party failing so to give notice of registration no damages shall be recovered, except on proof that the defendant was duly notified of infringement and continued the same after such notice.

and the provisions of section 2 of the Act entitled "An Act to amend the laws of the United States relating to the registration of trade-marks," approved May 4, 1906, are hereby made applicable to marks placed on the register provided for by section 1 of this Act.

SEC. 2. That the Commissioner of Patents shall establish classes of merchandise for the purpose of trade-mark registration, and shall determine the particular descriptions of goods comprised in each class. On a single application for registration of a trade-mark the trade-mark may be registered at the option of the applicant for any or all goods upon which the mark has actually been used comprised in a single class of merchandise, provided the particular descriptions of goods be stated.

SEC. 7. That written or printed copies of any records, books, papers, or drawings belonging to the Patent Office and relating to trade-marks placed on the register provided for by this Act, when authenticated by the seal of the Patent Office and certified by the commissioner thereof, shall be evidence in all cases wherein the originals could be evidence, and any person making application therefor and paying the fee required by law shall have certified copies thereof.

SEC. 8. That the same fees shall be required for certified and uncertified copies of papers and for records, transfers, and other papers, under this Act, as are required by law for

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in filing an appeal under this Act to the Commissioner
of Patents from the decision of the examiner in charge of
interferences, awarding ownership of a trade-mark, can-
celing or refusing to cancel the registration of a trade-mark,
a fee of \$15 shall be payable.

(277 O. G. 181)

Department of the Interior,
Office of the Solicitor,
Washington, D. C.,
July 13, 1920.

The honorable the Secretary of the Interior,

DEAR MR. SECRETARY:

By letter of June 17, 1920, the Commissioner of Patents requested my opinion respecting certain questions arising under the recent act of March 19, 1920, (Public No. 163), entitled "An Act to Give Effect to Certain Provisions of the Convention for the Protection of Trade-Marks and Commercial Names, Made and Signed in the City of Buenos Aires, in the Argentine Republic, August 20, 1910, and for other Purposes."

Section 1 of said act provides:

"That the Commissioner of Patents shall keep a register of (a) all marks communicated to him by the international bureaus provided for by the Convention for the Protection of Trade-Marks and Commercial Names, made and signed in the city of Buenos Aires, in the Argentine Republic, August 20, 1910, in connection with which the fee of \$50 gold for the international registration established by article 2 of that convention has been paid, which register shall show a facsimile of the mark; the name and residence of the registrant; the number, date, and place of the first registration of the mark, including the date on which application for such registration was filed and the term of such registration, a list of goods to which the mark is applied as shown by the registration in the country of origin, and such other data as may be useful concerning the mark.

(b) All other marks not registrable under the Act of February 20, 1905, as amended, except those specified in paragraphs (a) and (b) of section 5 of that act, but which have been in bona fide use for not less than one year in interstate or foreign commerce, or commerce with the Indian tribes by the proprietor thereof,

upon or in connection with any goods of such proprietor upon which a fee of \$10 has been paid to the Commissioner of Patents and such formalities as required by the said Commissioner have been complied with: *Provided*, That trade-marks which are identical with a known trade-mark owned and used in interstate and foreign commerce, or commerce with the Indian tribes by another and appropriated to merchandise of the same descriptive properties as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers, shall not be placed on this register.

The questions asked are, in effect, as follows:

(1) Whether marks registerable under the act of February 20, 1905, can be registered under section (b) of the act of March 19, 1920?

(2) What is the scope or limitation of paragraph (b) of section 5 of the act of February 20, 1905, (33 Rev. Stat., 724), as amended, when considered in connection with the interpretation of the recent act?

(3) Whether the filing fee of ten dollars paid in connection with an application under the act of February 20, 1905, may be transferred to an application for registration under the act of March 19, 1920, or must a new fee be required?

(4) Must a trade-mark be "identical" with a known trade-mark to be subject to rejection, or need it be only so nearly similar to a registered or known trade-mark to justify rejection?

Section 5 of the said act of February 20, 1905, has been amended by the following acts: March 2, 1907, (34 Rev. Stat., 1251); February 18, 1911, (36 Rev. Stat., 918); January 8, 1913, (37 Rev. Stat., 649), and section 9 of the recent act, now under consideration.

My answer to the first question is in the negative, as no reason has been called to my attention, and I see none, for

ignoring the express provision of this law that the (b) register shall be kept for—

all other marks not registerable under the act of February 20, 1905, as amended, except those specified in paragraphs (a) and (b) of section 5 of that act, etc.

The doubt pertaining to the second question is expressed by the Commissioner, as follows:

Paragraph (b) after referring to State, national or society insignia goes on to specify what marks shall not be registered as well as some that may be registered. Hence the act is not clear as to what is referred to in paragraph (b).

In my opinion the recent act of March 19, 1920, as applied to register (b) therein provided should be construed as if it more specifically read as follows:

All other marks not registerable under the act of February 20, 1905, as amended, except those specified *as not registerable* in paragraphs or schedules (a) and (b) of section 5 of that act, etc.

This is the plain meaning of the law, as it was undoubtedly the intention to continue to deny registration to those marks prohibited registration by paragraphs or schedules (a) and (b) of section 5 of the act of February 20, 1905. In other words, my view is that register (b) provided by the recent act is not intended for any trade-mark registerable under any part of the act of February 20, 1905, nor for registration of any mark not registerable as specified in paragraphs or schedules (a) and (b) of section 5 of that act. The doubt will be relieved and a rational construction of the law will be subserved by considering the reference in the recent act to "paragraphs (a) and (b)" of section 5 of the amended act of February 20, 1905, as meaning *schedules a and b* rather than paragraphs strictly and as comprising the following matters specified as not registerable, viz.:

(a) Consists of or comprises immoral or scandalous matter.

(b) Consists of or comprises the flag or coat-of-arms or other insignia of the United States or any simulation thereof, or of any State or municipality or of any foreign nation, or of any design or picture that has been or may hereafter be adopted by any fraternal society as its emblem, or of any name, distinguishing mark, character, emblem, colors, flag or banner adopted by any institution, organization, club, or society which was incorporated in any State in the United States prior to the date of the adoption and use by the applicant: *Provided*, That said name, distinguishing mark, character, emblem, colors, flag, or banner was adopted and publicly used by said institution, organization, club, or society prior to the date of adoption and use by the applicant.

his was the evident intention, as shown by the congressional hearings on the recent act, and with such construction a field will exist for the operation of the new law; otherwise none would remain.

Replying to question 3, I can see no objection to applying the fee paid in connection with an application under the law to an application under the new law. The amount of the fee is the same in either case, and it would seem it should be applied in perfecting the registration even though the applicable law be other than that originally invoked. It would be deemed necessary to amend the application, that would be merely a detail of procedure.

The fourth question arises from the language of the proviso to section 1 of the recent act above quoted. The word "identical" in its strictest sense means "exactly alike" or "the same in all respects." It is apparent that the word should not properly be used in this sense as applied in two different objects, because it is axiomatic that no two things are exactly alike; but the word is sometimes used more loosely to mean very similar or the same in essential characteristics. I have no doubt that it is to be so understood in this case. The language of the said proviso would per-

have justify the conclusion that a comparative term, as "so nearly," was intended to accompany the positive term "identical," so as to harmonize with the further expression "as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers." This view is strongly supported by a similar provision contained in the act of 1905, which prohibits registration of names identical or which so nearly resemble a registered or known trade-mark as to be likely to cause confusion, etc.

Cordially yours,

CHARLES D. MAHAFFIE,
/ Solicitor.

